

Program C: Medicare Buy-Ins and Supplements

PROGRAM DESCRIPTION

The mission of the Medicare Buy-Ins and Supplements Program is to allow states to enroll certain groups of needy people in the supplemental medical insurance program and pay their premiums. The Medicaid buy-ins and supplementals may permit the State, as part of its total assistance plan, to provide medical insurance protection to designated categories of needy individuals who are eligible for Medicaid and also meet the eligibility requirements. It has the effect of transferring some medical costs for this population from the Title XIX Medicaid Program, which is partially State financed, to the Title XVIII Program, which is financed by the federal government. Federal matching money is available through the Medicaid Program to assist the states with the premium payments for certain buy-in enrollees.

The goal of the Medicare Buy-Ins and Supplements Program is to avoid additional Medicaid cost by utilizing buy-in (premiums) for Medicare eligibles.

The Medicare Buy-Ins and Supplements Program is a supplemental medical insurance program that provides exemption of premiums for indigent people.

OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2000-2001. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

The objectives and performance indicators that appear below are associated with program funding in both the Base Executive Budget and Governor's Supplementary Recommendations for FY 2000-01. Specific information on program funding is presented in the financial sections that follow performance tables.

1. (KEY) To save the State of Louisiana a minimum of \$259 million by purchasing Medicare premiums for elderly, indigent citizens, rather than reimbursing the total cost of their health care with State General Fund dollars.

Strategic Link: *This objective implements Goal I, Objective I.1 of Program C, Medicare Buy-Ins and Supplements, of the strategic plan: To avoid additional Medicaid cost by utilizing Buy-In (premiums) for Medicare eligibles and cost avoiding \$222,913,103 by June 30, 1999.*

Explanatory Note: Medicare is a health insurance program for people 65 years of age and older, certain younger people with disabilities, and people with End-State Renal Disease (people with permanent kidney failure who need dialysis or transplant). Medicare has two parts: Part A (hospital insurance) and Part B (medical insurance). Part B helps pay for doctors, outpatient hospital care and some other medical services that Part A does not cover, such as the services of physical and occupational therapist.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
S	Buy-In Expenditures (Part A)	\$22,791,784	\$18,817,988	\$19,773,897	\$19,773,897	\$18,088,338	\$18,088,338
S	Total number of recipients (Part A)	Not applicable ¹	4,932	Not applicable ²	4,900	4,900	4,900
S	Buy-In Expenditures (Part B)	\$63,737,110	\$63,749,269	\$66,989,964	\$66,989,964	\$66,989,964	\$66,989,964
S	Total number of recipients (Part B)	Not applicable ¹	115,377	Not applicable ²	115,377	115,377	115,377
K	Total number of Buy-In eligibles	131,193	120,309	125,799	125,799	120,277	120,277
K	Total savings (cost of care less premium costs)	\$265,271,752	\$264,134,787	\$259,938,183	\$259,938,183	\$259,938,183	\$259,938,183

¹ This performance indicator did not appear under Act 19 and therefore had no performance standard for FY 1998-99.

² This performance indicator did not appear under Act 10 and therefore had no performance standard for FY 1999-2000.

GENERAL PERFORMANCE INFORMATION					
PERFORMANCE INDICATOR NAME	PRIOR YEAR ACTUAL FY 1994-95	PRIOR YEAR ACTUAL FY 1995-96	PRIOR YEAR ACTUAL FY 1996-97	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99
Total savings (cost of care less premium cost)	Not available ¹	Not available ¹	Not available ¹	\$247,724,858	\$264,134,787

¹ The data for state fiscal year 1998-99 has been requested from UNISYS. However, Y2K compliance projects have taken precedence, per Executive Orders 96-50 and 98-04. This data is now being compiled.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1998-1999	ACT 10 1999- 2000	EXISTING 1999- 2000	CONTINUATION 2000 - 2001	RECOMMENDED 2000 - 2001	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$24,808,509	\$23,780,466	\$23,780,466	\$26,404,534	\$25,349,699	\$1,569,233
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	0	0	0	0	0	0
Statutory Dedications	0	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	58,693,709	58,028,169	58,028,169	62,247,057	59,728,603	1,700,434
TOTAL MEANS OF FINANCING	<u>\$83,502,218</u>	<u>\$81,808,635</u>	<u>\$81,808,635</u>	<u>\$88,651,591</u>	<u>\$85,078,302</u>	<u>\$3,269,667</u>
EXPENDITURES & REQUEST:						
Salaries	\$0	\$0	\$0	\$0	\$0	\$0
Other Compensation	0	0	0	0	0	0
Related Benefits	0	0	0	0	0	0
Total Operating Expenses	0	0	0	0	0	0
Professional Services	0	0	0	0	0	0
Total Other Charges	83,502,218	81,808,635	81,808,635	88,651,591	85,078,302	3,269,667
Total Acq. & Major Repairs	0	0	0	0	0	0
TOTAL EXPENDITURES AND REQUEST	<u>\$83,502,218</u>	<u>\$81,808,635</u>	<u>\$81,808,635</u>	<u>\$88,651,591</u>	<u>\$85,078,302</u>	<u>\$3,269,667</u>
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	0	0	0	0	0	0
Unclassified	0	0	0	0	0	0
TOTAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

SOURCE OF FUNDING

This program is funded with General Fund and Federal Funds. The Federal Funds represent federal financial participation in the Medicaid program. Existing operating budget are transfers from LSU HSC-Health Care Services and the Office of Addictive Disorders. The interagency Transfers in the total Recommended for FY 2000-2001, are from the Office of Addictive Disorders for an inpatient medical detox unit at LSU HSC-HCSD.

ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$23,780,466	\$81,808,635	0	ACT 10 FISCAL YEAR 1999-2000
			BA-7 TRANSACTIONS:
\$0	\$0	0	None
\$23,780,466	\$81,808,635	0	EXISTING OPERATING BUDGET – December 3, 1999
\$965,206	\$3,269,667	0	Workload Adjustments - Utilization increase in Qualified Medicare Beneficiaries (QMBs) enrolling in this program
\$604,027	\$0	0	Net Means Of Financing Substitutions - Match Rate Change
\$25,349,699	\$85,078,302	0	TOTAL RECOMMENDED
\$0	\$0	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$25,349,699	\$85,078,302	0	BASE EXECUTIVE BUDGET FISCAL YEAR 2000-2001
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE
\$25,349,699	\$85,078,302	0	GRAND TOTAL RECOMMENDED

The total means of financing for this program is recommended at 104.0% of the existing operating budget. It represents 96.0% of the total request (\$88,651,591) for this program.

PROFESSIONAL SERVICES

This program does not have funding for Professional Services for Fiscal Year 2000-2001.

OTHER CHARGES

\$85,078,302 Payments of Medicare premiums and supplements

\$85,078,302 SUB-TOTAL OTHER CHARGES

Interagency Transfers:

This program does not have funding for Interagency Transfers for Fiscal Year 2000-2001.

\$85,078,302 TOTAL OTHER CHARGES

ACQUISITIONS AND MAJOR REPAIRS

This program does not have funding for Acquisitions and Major Repairs for Fiscal Year 2000-2001.